

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 17 May 2024	09:30	Remotely by MS teams,

Present

Councillor Colin Simpson (substitute for Councillor David Keating) (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyne Wilson (Dumfries & Galloway Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Dennis Leask (Shetland Islands Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, M Mitchell, Chief Procurement Officer, L Muir and J McKerrell, both Strategic Programme Managers, N Hyde, Skills Resources Manager, K Forrest, Office Manager, G Montgomery, Category Manager, G Maxwell, Procurement Co-ordinator, H Wood, Business Intelligence Officer, L Robertson, Project and Accounts Manager, P Raymond, Assistant Category Manager, S Whitehead, Category Manager – ICT and S Christie, Commercial Programme Manager (all Scotland Excel); and A McMahon, Chief Internal Auditor, L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant, T McGowan, Senior Accountancy Assistant and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Councillor David Keating (Aberdeenshire Council), Councillor Altany Craik (Fife Council) and Councillor Walter Brogan (South Lanarkshire Council).

Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

Transparency Statements

Councillor Shaw indicated that he had a connection to item 7 by reason of him holding the position of President of the Students Union of the University of Paisley, now the University of the West of Scotland. However, he indicated that he had applied the objective test and did not consider he had an interest to declare.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 19 April 2024.

DECIDED: That the Minute be approved.

2 Revenue Budget Monitoring

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April 2023 to 31 March 2024.

The report advised that at the end of financial year 2023/24, Scotland Excel had generated a small surplus of £0.80 million in its Core activities and an increase of £0,853 million in committed Project Reserves. Further detail was provided in section 3 of the report.

It was noted that the date referred to in paragraph 3.1 of the report should read 31 March 2024.

DECIDED: That the report, as amended, be noted.

Sederunt

Councillor Wilson joined the meeting during consideration of the following item of business.

3 **Internal Audit Annual Report 2023/24**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit Annual Report on Scotland Excel 2023/24.

The report intimated that the Public Sector Internal Audit Standards required that the Chief Auditor prepare an annual report on the internal audit activity's purpose, authority and responsibility as well as performance relative to its plan. The report must also provide an audit opinion on the overall adequacy and effectiveness of the internal control environment of the audited body.

The Annual Report for Scotland Excel formed the appendix to the report and outlined the role of internal audit, the performance of the Internal Audit Team, the main findings from the internal audit work undertaken in 2023/24 and contained an audit assurance statement.

DECIDED: That the Internal Audit Annual Report 2023/24 be noted.

Sederunt

Councillor Larsen joined the meeting during consideration of the following item of business.

4 **Update on the Contract Delivery Plan**

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2024/25 Contract Delivery Plan.

The report intimated that the Contract Delivery Plan detailed new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management only and appendices 1 to 4 to the report provided further details. The report highlighted that, at any given point, there were around 70 frameworks in the Scotland Excel contract portfolio. It was intended that a further two frameworks would be developed and added to the portfolio, 20 frameworks would be renewed, and 14 frameworks had extension options that were available to be exercised, with three of these extensions already approved.

The report advised that the estimated forecast value of the Scotland Excel framework portfolio was approximately £2.14 billion and that overall, efficiencies created by frameworks awarded so far during 2024/25 were benchmarked at 1.67% of the value of those frameworks. Appendix 5 to the report set out Scotland Excel's updated methodology for calculating efficiencies in accordance with the Scottish Government procurement benefits reporting guidance and Appendix 6 to the report detailed a summary of spend per Council across the portfolio between January and December 2023.

DECIDED: That the progress made to date be noted.

5 **Contract for Approval: Supply and Delivery of Technology Enabled Care Goods**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework for the Supply and Delivery of Technology Enabled Care Goods for a period of up to 24 months with an option to extend for a further two 12-month periods subject to satisfactory operation and performance.

The report intimated that the framework would allow Councils to procure a range of technology enabled care goods including digital dispersed alarms, alarm triggers, health and care peripherals, smoke alarms, GPS devices with ancillary monitoring, phones and key storage compartments and other associated products.

The report summarised the outcome of the procurement process which contained nine lots as detailed in Table 1 of the report. The framework had been advertised with a value of up to £6.25 million per annum, totalling an estimated spend of £25 million over the maximum four-year period of the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 22 suppliers and, based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report. One bidder was partially non-compliant with the published specification and was not able to be evaluated for lot 2 as a result.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 18 suppliers across 8 lots, as outlined in Appendix 2 to the report, subject to satisfactory conclusion of insurance checks.

The report advised that lot 9 (Warden Call Systems) was not recommended for award as part of the establishment of this framework due to telecare being in a transitional period, with significant innovation providing new ways of working, driven by the change from analogue to digital technology. Bids received for this lot were sufficiently diverse that they could not be equally evaluated on a like-for-like basis, as per the evaluation methodology.

The report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class D.

DECIDED: That the award of the framework agreement for the Supply and Delivery of Technology Enabled Care Goods, as detailed in Appendix 2 to the report, be approved.

6 **Net Zero Strategy Update 2023/24**

There was submitted a report by the Chief Executive of Scotland Excel detailing Scotland Excel's progress in delivering the objectives contained within the Net Zero Strategy for 2023/204, a copy of which was appended to the report.

The report intimated that at a meeting of the Executive Sub-committee held on 17 March 2023, Scotland Excel's Net Zero Strategy 2023/28 had been approved. This strategy would be used to support Scotland Excel member councils in the delivery of their individual and collective net zero goals linked to Scottish Government 'climate emergency' policy and legislation. The strategy was supported with a detailed action plan with objectives to deliver on short and medium-term (2023/25) and longer-term (2025/28) net zero related priorities.

The report advised that an internal Net Zero Working Group met monthly to identify and deliver actions identified in the strategy. A progress tracker managed Scotland Excel's activity against the Net Zero Strategy Objectives and a commitment of the strategy was that a progress report would be submitted to the Executive Sub-committee at the end of each financial year.

DECIDED: That Scotland Excel's progress in delivering the objectives contained within the Net Zero Strategy for 2023/24 be noted.

Sederunt

Councillor Wilson left the meeting prior to consideration of the following item of business.

7 Request for Associate Membership: The University of the West of Scotland

There was submitted a report by the Chief Executive of Scotland Excel advising that the University of the West of Scotland had applied to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by the University of the West of Scotland to become an associate member of Scotland Excel, with no annual membership fee, be approved, subject to completion and signing of the agreement documentation.

8(a) Project Proposal: Commercial Analysis

There was submitted a report by the Chief Executive of Scotland Excel relative to a project being proposed to be funded from the use of reserves as a result of surpluses which would be generated by changes to the Strathclyde Pension Fund employer's contributions.

The report intimated that when considering the Revenue Estimates for 2024/25 at the meeting of the Joint Committee held on 8 December 2023 it was noted that Strathclyde Pension Fund had advised that, as a result of higher than anticipated returns from investments, the fund was 147% funded against current and anticipated future commitments. At that meeting it was agreed that the anticipated operating surplus be retained, ring-fenced within reserves with any draw down to be approved by the Executive Sub-committee.

The report provided detail on a project to fund the appointment of a dedicated resource to manage detailed commercial analysis required to ensure that the local government community was furnished with appropriate information, extracted from the analysis of markets and suppliers' responses, to enable councils to drive great efficiency from procurement work. The project would develop business cases for improving data analysis activity and, where beneficial, make recommendations on the use of additional digital tools. The report provided further detail on the project and highlighted that the funding requirement for the addition of a Lead Commercial Analyst at Grade 11 for a period of 12 months, on a fixed-term contract, would be a total commitment of £68,497, being an estimated cost of £54,798 for year 1 (10 months) and £13,699 for year 2 (2 months).

DECIDED: That the project funding and draw down from agreed reserves for 2024/25 and 2025/26 of a total commitment of £68,497, being £54,798 for year 1 (10 months) and £13,699 for year 2 (2 months) be approved.

Sederunt

Councillor Durno and Councillor McPake left the meeting during consideration of the following item of business.

8(b) Project Proposal: Capital Project Procurement Support

There was submitted a report by the Chief Executive of Scotland Excel relative to a project being proposed to be funded from the use of reserves as a result of surpluses which would be generated by changes to the Strathclyde Pension Fund employer's contributions.

The report intimated that when considering the Revenue Estimates for 2024/25 at the meeting of the Joint Committee held on 8 December 2023 it was noted that Strathclyde Pension Fund had advised that, as a result of higher than anticipated returns from investments, the fund was 147% funded against current and anticipated future commitments. At that meeting it was agreed that the anticipated operating surplus be retained, ring-fenced within reserves with any draw down to be approved by the Executive Sub-committee.

The report provided detail on a project to provide support to members' technical and procurement teams to make the most effective use of collaborative procurement routes when managing capital projects. The proposal expanded the capability of Scotland Excel to include call-off support to aid Councils, Housing Associations and other members to make call-offs from frameworks for complex project work, most commonly capital investment projects. The project would develop business cases for improving data analysis activity and, where beneficial, make recommendations on the use of additional digital tools. The report provided further detail on the project and highlighted that the funding requirement for the addition of a Senior Procurement Specialist at Grade 10 for a period of 24 months, on a fixed-term contract, would be a total commitment of £138,378, being an estimated cost of £67,118 for year 1 and £71,249 for year 2.

DECIDED: That the project funding and draw down from agreed reserves for 2024/25 and 2025/26 of a total commitment of £138,378 be approved

Sederunt

Councillor Kelly left the meeting during consideration of the following item of business.

9 Strategic Risk Register

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the Strategic Risk Register maintained to monitor threats and risks that could impact on the delivery of Scotland Excel's strategic objectives and to identify controls that were in place to mitigate these risks. A copy of the Strategic Risk Register was appended to the report.

The report intimated that the Strategic Risk Register had been developed using methodology set out in the Strategic Risk Strategy approved by the Joint Committee in December 2022. Currently there were 12 strategic risks ranging in risk evaluation score from 8 to 20 and a summary of key elements in relation to each identified risk was detailed in the Register.

DECIDED: That the Strategic Risk Register be noted.

10 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 21 June 2024.